



A MONTHLY ELECTRONIC NEWSLETTER TO THE 41<sup>ST</sup> ASSEMBLY DISTRICT  
(Including Agoura Hills, Calabasas, Encino, Malibu, Hidden Hills, Lake Sherwood, Oak Park, Pacific Palisades, Port Hueneme, South Oxnard, Santa Monica, Tarzana, Topanga, Westlake Village, and Woodland Hills.)

## MAY/JUNE 2003 ISSUE

### Governor Releases May Budget Revisions

All Budget Subcommittees have been meeting over the past two weeks on the Governor's May Revise and voting on recommended cuts or revenue options based on a clearer picture of the state's anticipated revenue projections. The full Assembly plans to take up the budget in mid to late June. With a final estimated projected deficit of \$38 billion, our decisions will have a dramatic impact on many Californians. Obtaining the required 2/3 super majority vote of the Legislature on the entire package will be our greatest challenge.

#### Here are highlights from the Governor's Revised Budget:

- \$3.6 billion increase in the General Fund gap over the current year (\$34.6 billion to \$38.2 billion).
- \$10.7 billion Deficit Financing Bond to relieve the current year shortfall as proposed by my Republican colleagues, to be financed with a one-half cent sales tax increase.
- \$6.5 billion reduction to realignment and new revenue package (\$8.2 billion to \$1.7 billion).
- \$1.5 billion increase in the minimum Proposition 98 for K-14 education, which reduces the proposed cuts recommended in January.
- \$3.9 billion savings from anticipated restoration of Vehicle License Fee.
- \$1.2 billion in restorations of cuts recommended in January.

To put these in relative terms, the proposal is roughly 49% cuts and savings, 28% in deficit financing, 17% fund shifts and loans, and 4.5% realignment. There are still many outstanding issues still to be resolved.

- **How would the \$10.7 billion Deficit Financing Bond be paid?** The Governor is proposing a half-cent sales tax to pay off the bond debt over the next 5 years. This would require a 2/3 vote of the Legislature. The bond would be a one-time fix that won't help us in future years. The other choice is to pay off the loan within the existing sales tax, which may mean over \$2 billion in additional cuts each of the 5 years.
- **How would the counties view the scaled-down \$1.7 billion realignment proposal?** Realignment means shifting more responsibilities from the state to counties for programs relating to mental health and social services (such as foster care and CalWorks grants). The big decision that the Legislature must address is the funding to support this realignment. The Governor proposes an increased income tax rate for the upper income bracket (starting at \$150,000 for single filers and \$300,000 for joint filers) from 9.3% to 10.3%, plus a 23-cent per pack tax increase on cigarettes in 2003-04 and an additional increase of a 40-cent per pack in 2004-2005. These tax increases would require a 2/3 vote of the Legislature.
- **When the Vehicle License Fee statute triggers a return to 1998 levels, will the State honor its commitment to local government to backfill their VLF losses during the 60 days that it will take to start getting the restored fees to them?**

I have requested a legal opinion regarding this issue from the Legislative Counsel's Office. I expect to have a written opinion within a few weeks.

- **How will the Prop. 98 minimum funding guarantee to schools be protected?** The Governor's revision does several things:
  1. Fully funds class size reduction (compared to the 10% recommended cut in January).
  2. Categorical block grants are still in the revision and are being considered by the Legislature. These would provide flexibility to school districts.
  3. Eliminates the Golden State Exam, Principal Training Program, and many other programs.
  4. Total Prop. 98 reductions of \$2.53 billion for K-12 and community colleges.
  5. \$305 million in previously proposed cuts to community colleges are out, and a proposed tuition increase from \$11/unit to \$24/unit, is now an increase to \$18/unit.

In a related matter, SB 556 (Sher) just passed out of the Senate and will be heard in the Assembly shortly. This bill allows school districts to continue to receive incentive funding for class size reduction in kindergarten, or any of the grades 1 through 3, for the 2003-04, 2004-05, and 2005-06 school years, provided that average class size on a school site basis does not exceed 20 pupils per teacher and no individual class exceeds 22 pupils to one teacher, provided that the teacher holds a preliminary or clear credential.

- Generally speaking, school board members and administrators around the state and in my district want the flexibility in student placement and the savings that they would realize. They argue that class size reduction encroaches into the general fund. One of my school districts has stated that they will have to drop the class size reduction program for third grade if SB 556 doesn't pass.
- On the other side is the California Teachers Association and the state PTA, who believe that this will just be the beginning of slowly raising class sizes back up to the higher levels we saw in the 1980s. Children and their teachers have benefited from this popular program. Ideally, in better budget times, this would be extended to all grades.

These strongly felt different points of view about class size reduction are not being resolved at the local level, and have been carried up to Sacramento to be addressed. The bottom line, of course, is determining what is in the long-term best interest of the children while we struggle with the shorter-term issues related to the budget crisis. Many parents have mobilized and are supporting their neighborhood schools with fundraisers or by raising local revenue independently by placing parcel tax measures on the local ballots, understanding that their children are our state's future.

## **101 Freeway Widening Not a Long-Term Solution**

I grew up in the San Fernando Valley, and have lived in Agoura Hills for more than 25 years. Both communities were quiet suburban escapes from downtown L.A. where many people commuted to work. The 101 freeway was wide open and sped people to their destinations.

Rapid growth in Southern California has been reflected in multiple ways, including serious traffic congestion. Over the past 30 years, no major improvements have been made to the 101 freeway, and the Level of Service (LOS) through the San Fernando Valley in particular has plummeted to today's near-gridlock LOS "F." More than that, the rush-hour commute that used to be eastbound toward downtown Los Angeles has completely reversed. Rush-hour now heads from downtown and the Valley through Las Virgenes westbound. Traffic on the 101 is a nightmare, and without something fundamentally changing, will only get worse.



*(Continued on next page)*

**MTA begins long-range planning...** In 2001, the MTA put together its Long-Range Transportation Plan for L.A. County to guide transportation development through the year 2025. Not one dollar was included for 101 improvements for yet another 24 years, pending the outcome of the 101 Corridor Improvement Study initiated by the Malibu/Las Virgenes Council of Governments in June of 2001.

I have been closely monitoring this MTA Study. Fifty different options were winnowed down to a final five, and earlier this month, the 101 Technical Advisory Committee released its recommended strategy for how to improve mobility on the 101 from downtown L.A. to Highway 23 in Thousand Oaks through the year 2025.

**We can't pave our way out of traffic congestion...** While I was reserving judgment on the direction that the Study seemed to be heading, I was disappointed to learn that the final recommended 'improvement' is a massive widening of the freeway. More pavement. A lot more pavement. Even the MTA and Caltrans concede that this plan will, if we are lucky, keep traffic at LOS "F." And it will come at a terrible toll to the residents of the San Fernando Valley whose homes and/or livelihoods along the corridor will be wiped out. This is not acceptable to me. The human cost, coupled with the economic realities of the state budget, make it clear that we must do better. This means exercising some real vision and finding ways to make it easy and convenient to get people out of their cars entirely.

### **Transit options have both short- and long-term prospects...**

- The Metro Rapid Bus can be extended westward to the Highway 23/101 Transit Center.
- The MTA has just approved the San Fernando Valley Metro Rapidway along the railroad tracks right-of-way north of the freeway. This will provide a direct transit link from Warner Center to the Redline subway station in Universal City to Union Station.
- Evaluate a light-rail connection or other transit option from Warner Center to the Las Virgenes communities to the 23. (The Westside has recently agreed on light rail from Santa Monica to the Coliseum.)
- Park-and-ride lots can be built close to the 101 to facilitate ride-sharing and van pooling, and to provide a place for people to leave their cars and get on the SFV East/West Busway or Metro Rapid Bus. The only park-and-ride lots near the 101 right now of which I am aware are in Thousand Oaks, Agoura Hills, and near Universal City. I recently carried a bill that could provide additional shared-use facilities. We need to construct additional lots close to transportation corridors.
- Encourage planning that will reduce urban sprawl, and incentivize smart growth strategies.
- HOV lanes have been a success on the 405. Look at places where they could be added along the 101 within the existing rights of way.
- Continue to construct cost-effective improvements such as freeway on/off ramps, soundwalls, signal synchronization, and lane modifications.
- Re-evaluate all mass transit options along the 101, 118 and other north/south or east/west corridors.
- Do everything possible to stop the development of Ahmanson Ranch, which will add another 45,000 cars everyday to the 101.
- Hold a San Fernando Valley Transportation Summit to do some true visioning about realistic and publicly-acceptable ways to improve traffic flow, reduce bottlenecks, etc. and get people out of their cars.
- Limit trucks to off-peak hours.
- Use school bond proceeds to construct neighborhood schools to minimize long trips on school buses for children.

The 101 Technical Advisory Committee's recommendation of adding 4-6 more lanes to the freeway is not acceptable. Passing the buck to the next generation to solve this traffic nightmare is irresponsible. I am concerned about the cost in real dollars to our economy, the increased time we are wasting in our cars, and the continued degradation of our air quality.

### **Final Steering Committee recommendation to MTA ...**

On Friday, May 23, the 101 Corridor Improvement Study Steering Committee, of which my office is a member, met to make its final recommendations to the Metropolitan Transit Authority. This concluded the

two-year technical study and roughly 50 briefings and/or community workshops. In addition to my district director, participants included representatives for State Senator Sheila Kuehl; L.A. Mayor James Hahn and a number of L.A. City Councilmembers; the cities of Agoura Hills, Calabasas and Hidden Hills, the Las Virgenes/Malibu Council of Governments, and a number of involved agencies, organizations, and members of the public.

Although there was broad opposition to freeway widening, there was a strong consensus for the development of a long-range vision that focuses on transit and alternative means of travel to solve the serious problems that everyone conceded must be addressed.

From the technical findings and public comments over the course of the study, Senator Kuehl's office identified four consensus recommendations that I agreed would be appropriate to send to the MTA Board to include in its plans.

1. That Caltrans, the MTA and the Southern California Association of Governments (SCAG) include the list of near- and mid-range projects in the necessary regional transportation plans, including the current update to the MTA's Short-Range Transportation Plan, and support these projects in the earliest possible funding cycle.
2. That the MTA include the 101 Corridor as a "Congested Corridor" in next year's update to the Short-Range Transportation Plan to help support funding for these projects.
3. That the Steering Committee support a long-range multi-modal vision for this Corridor, including transit options, and that a "placeholder" be put in the Regional Transportation Plans (including the MTA's Long-Range Transportation Plan and SCAG's Regional Transportation Plan) so that a vision can be better defined and funded.
4. That the Steering Committee encourage local government entities to review their general plans, and make land use policy decisions that will support smart growth and integrate transit use as we all work together to confront the congestion and address the quality of life in this corridor.

The challenge is great, but I'm confident that the collective resources of citizens working together for real 21<sup>st</sup> century solutions will allow us to address this critical issue

## San Fernando Valley Metro Rapidway Progresses

A new rapid transit connector has moved another step forward with the award of the design/build contract on May 2 for the San Fernando Valley Metro Rapidway (formerly known as the "East/West Busway.") The North Hollywood Metro Redline subway is already being well used by commuters travelling between Universal City and downtown Los Angeles.



Photo Courtesy of MTA

The Valley Metro Rapidway will extend that transit connection 14 miles west to Warner Center, with 13 stations roughly one mile apart, and park-and-ride lots at five of the stations with over 3,000 spaces. Major stops will include the Van Nuys Government Center, Valley College, and Pierce College. With the completion of this project in 2005, commuters will have a convenient 30-mile mass transit alternative to the congestion of the 101 freeway all the way from the west San Fernando Valley to downtown.

## **Around the District...**

### **MALIBU:**

Excessive speed along Pacific Coast Highway has been a continuing safety problem for the City of Malibu for many years. I was pleased to carry a bill for them this year, AB 1009, which will establish a double fine zone along PCH within their city limits. It also adds conditions to the process that Caltrans uses to evaluate the correct speed limit for PCH that must consider pedestrian and bicycle safety; visual and non-motorized distractions; the presence of homes, parking lots and on-street parking; and the frequency of left turns and U-turns. The bill has passed out of the Assembly and moves on to the Senate.

### **OXNARD:**

Congratulations to the City of Oxnard on another hugely successful Strawberry Festival. This great community event draws visitors from hundreds of miles away, and is a large part of the community's identity. One of my field representatives brought back a delicious basket for everyone in my district office to enjoy.

### **PORT HUENEME:**

I carried AB 878 this year for the Port of Hueneme Port Authority. It will increase their borrowing power from private sources from \$1 million to \$5 million, allow that money to be repaid over ten years instead of five, and give the Port greater leeway to invest its funds. AB 878 has passed out of the Assembly and moves on to the Senate.

### **OXNARD, PT. HUENEME and CHANNEL ISLANDS HIGH SCHOOLS:**

Forty high school students from these three district high schools participated this year in California State University Northridge's MESA (Mathematics Engineering Science Achievement) program. MESA's vision is to create opportunities for students that will spark an interest in careers in these three fields. It also provides a series of well-rounded high-quality academic services that will allow students to successfully pursue post-secondary studies leading to professions requiring these degrees. Certificates of Recognition were sent to each student.

### **SANTA MONICA:**

**Santa Monica Festival:** I attended this annual celebration on May 17 which honors the rich history and environmental resources that sustain Santa Monica. I presented certificates of recognition to the 2003 Sustainable Quality Award business winners who incorporate sustainable practices into their daily operations. Recognitions were for excellence in Economic Development, Social Responsibility, and Stewardship of the Natural Environment. Recipients were The Library Alehouse, ZJ Boarding House, The Real Earth, Inc., Santa Monica-UCLA Medical Center, Mani's Bakery, Vidiots, Duke's of Malibu, Real Food Daily, Seashore Motel, and 18<sup>th</sup> Street Arts Complex.

I also had the pleasure of introducing Santa Monica Mayor Richard Bloom, Mayor Pro Tem Kevin McKeown, Assistant to the City Manager Kate Vernez, and Director of Finance Mike Dennis on the floor of the Assembly last week during their visit to the State Capitol to discuss fiscal issues.

**Nonprofits seminar:** On June 27, I will be hosting a free tax seminar with the State Board of Equalization, co-sponsored by the City of Santa Monica. The goal is to assist nonprofits with changes in legislation and law related to fundraising, employment and other taxes, and any other questions that may arise. For time, location and more information, please call Robin Squier at my District office.

## **Worker's Comp Reform Package Announced**

Reform of the fragile worker's compensation system continues to be a major issue this session. Ten years after the passage of landmark legislation meant to fix California's troubled system, employers are paying more for workers' comp coverage than any other state and injured workers are receiving some of the lowest benefits in the nation. To date, 27 workers' compensation insurance companies have gone bankrupt and the State Compensation Fund, the program of last resort that has 55% of the California market, is in serious financial condition.



I have heard several arguments as to why costs are increasing:

- 1) Benefit increases to injured workers.
- 2) Deregulation of the workers' compensation industry. In 1993, the law, which required that workers' compensation insurance premiums be priced at a minimum rate, was repealed in an attempt to spur competition in the sluggish insurance market. As a result insurers began under-pricing their product.
- 3) Cost of medical care in the system. Medical care in California's workers' compensation system is estimated to be approximately 40-45% higher than medical care in non-occupational medical systems.

These arguments, coupled with under-reserving, poor stock-market investments, insurer insolvencies, the impact of 9/11 and fear of additional terrorist/war related activities, an increase in broker fees, an increase in the workforce, incidences of fraud, and other issues have lead to insurance premiums increasing over the past two years.

Whatever the reasons, the fact still remains that California's workers' compensation system is broken and in need of repair. While the Legislature has an obligation to protect injured workers, we also have an obligation to correct systemic problems.

Among the most significant of the many pending worker's compensation bills is **SB 228** by Senator Alarcon. Among other things, this legislation would require the development of a fee schedule for unregulated outpatient surgery centers, one of the major cost drivers in the system.

Both Governor Davis and Insurance Commissioner John Garamendi have announced a package of other reform proposals to modernize the state's 90-year old system. They include the following:

- **SB 354 (Speier)** – Expand the use of managed care and create independent medical review as an option for injured workers. Enhance fines for false or fraudulent statements. Prohibit a doctor from referring a patient to an outpatient surgery center where he/she has a financial interest.
- **AB 1099 (Negrete-McLeod)** and **AB 1215 (Vargas)** – Crackdown on fraud by, among other things, allowing collaboration between the Administration and the Department of Insurance.
- **1483 (Richman)** – Various reforms to workers' compensation medical training for physicians.
- **System reforms** – Encourage the use of generic drugs. Certify medical bill review companies. Require WC carriers to list their rates on the Internet. Expand posting of insurer audit results and enforcement data. Increase penalties for worst offenders who fail to pay employee claims, and reduce penalties on employers for minor delays. Streamline the return-to-work process.

Although I am not on the policy committees that will be hearing most of these and the many other related bills, I will be monitoring them closely. I remain hopeful that something can be done this year to begin to get the worker's compensation system working again as it was intended.

## Update From Washington

AJR 29 – This Joint Resolution that I jointly authored with Assemblymember Keith Richman expresses the desire of the Legislature that the U.S. Congress and the President of the United States enact and sign legislation to remove the onerous effects of the Government Pension Offset and the Windfall Elimination Provision of the Social Security Act. These two provisions reduce the Social Security benefits of individuals who have paid into both the Social Security System and another public pension system. The provisions particularly affect the retirement benefits of public school teachers. The pension offset also acts as a deterrent to attracting change of career people to become teachers in our public school system.



Photo Courtesy of CAFCP

## Fuel Cell Rally

Last week, I was delighted to welcome participants in a fuel cell vehicle rally on their completion of a 400-mile public awareness outreach effort. The rally drove from Sacramento to Griffith Park, with stops in many Central Valley towns. Fuel cell powered vehicles in different shapes and sizes made by Ford, Toyota, Nissan, Daimler-Chrysler, Honda, General Motors, Hyundai, and Volkswagen all traveled together as members of the California Fuel Cell Partnership.

(More)

# Las Virgenes Homeowners Federation Names Frank Angel Their “Citizen of the Year”

Every year the Las Virgenes Homeowners Federation names an individual who has done something significant to protect the environment and/or the overall quality of life for the communities in and around the Santa Monica Mountains. The Federation’s 2003 “Citizen of the Year,” attorney Frank Angel, has devoted countless hours as a tireless advocate for the environment, including his successful opposition to the expansion of Soka University in the Santa Monicas. Frank has most recently been retained by the City of Calabasas to represent them in one of the many lawsuits filed by local cities and L.A. County challenging the adequacy of the Environmental Impact Report that could allow the massive Ahmanson Ranch to be built.



## Household Hazardous Waste Roundups

**LOS ANGELES COUNTY** – On Sunday, June 15, Los Angeles County will be holding their next Household Hazardous and E-Waste Roundup at the Calabasas Landfill. Many household items to be disposed of do not belong in the landfill because of toxic contents that can contaminate both soil and water.

- **Items that will be accepted at the Roundup include:** brake fluid, paint and paint thinner, cleaners with acid or lye, pesticides or herbicides, household or car batteries, pool chemicals, used oil, and expired pharmaceuticals.
- **Items that will not be accepted include:** business waste, explosives, ammunition or radioactive materials, trash, tires, and large appliances.

For a complete list of what you can and cannot bring, either telephone (888) CLEAN-LA, or visit their website at [www.888CleanLA.com](http://www.888CleanLA.com).

**OXNARD / PORT HUENEME** – If you are a resident of either city, free collection events are held on the second Friday and Saturday of every month **by appointment only**. To make an appointment and to get time and location, call their 24-hour hotline at (805) 987-0717. Or for more information, you can visit their website at [www.ci.oxnard.ca.us/pubworks/refuse/refuseevents.html](http://www.ci.oxnard.ca.us/pubworks/refuse/refuseevents.html).

**SANTA MONICA** – Residents of Santa Monica can bring their household hazardous waste to the city’s Household Hazardous Waste Center, 2500 Michigan Avenue, Santa Monica. It is open Wed through Fri from 7:00 a.m. to 1:00 p.m, and Saturdays from 7:00 a.m. to 3:00 p.m. More information is available on the city’s website at [www.ci.santa-monica.ca.us/environment/resdisp.htm](http://www.ci.santa-monica.ca.us/environment/resdisp.htm).

## Proposition 40 Workshop

On June 6, from 10:00 to 12:30 p.m., I will be hosting a workshop at Agoura Hills City Hall, 30001 Ladyface Court, on “Local Assistance Programs” that are available to any city, county, school district, and 501c(3) nonprofit or other organization that provides park and recreational services.

A representative from State Parks will discuss eligibility requirements, and procedures for applying for the block grants and competitive grants under the “Local Assistance” section of voter-approved Proposition 40. Funds are available for new athletic fields and facilities, performing arts centers, trails, playgrounds, youth services, special-needs recreational facilities, and new urban parks. Detailed descriptions of the seven grant programs are available for review prior to the workshop at [www.parks.ca.gov](http://www.parks.ca.gov). A question and answer period will follow the presentation. RSVP to my district office at (818) 596-4141, (310) 395-3414, or (805) 644-4141.

## **Assemblymember Pavley's Committee Assignments**

Appropriations Committee  
Arts, Entertainment, Sports, Tourism, and Internet Media Committee  
Budget Committee  
Education Committee  
Transportation Committee  
Water, Parks and Wildlife Committee  
Select Committee on Title IX  
Select Committee on California Ports  
Chair, Select Committee on Air and Water Quality  
Chair, Budget Subcommittee #3 on Resources  
Legislative Advisory Committee – Wildlife Conservation Board  
Legislative Advisory Committee – California Coastal Conservancy  
Santa Monica Mountains Conservancy Advisory Board

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If you know of anyone who you think would like to receive these newsletters, please e-mail their name, mailing address and e-mail address, and I'll be happy to add them to my list.

